



County of Los Angeles Public Library ■ [www.colapublib.org](http://www.colapublib.org)  
7400 East Imperial Hwy., Downey, CA 90242 ■ (562) 940-8400



Margaret Donnellan Todd  
County Librarian  
October 19, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

14 October 19, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**AMENDMENT OF TRANSPORTATION CONTRACT UNDER THE  
CONTRACT EXTENSION/COST REDUCTION INITIATIVE;  
AND FOR CHANGES IN SCOPE OF WORK  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

### **SUBJECT**

The Public Library is recommending that the Board of Supervisors (Board) delegate authority to the County Librarian to amend a contract with Valley Couriers, Inc. (Valley Couriers) consistent with the County's Contract Extension/Cost Reduction Initiative mandated by your Board on June 16, 2009, and for changes in the scope of work to meet the Public Library's current needs.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and delegate authority to the County Librarian or her designee to execute an amendment for Transportation Delivery Services Contract No. 75522 with Valley Couriers, Inc., to reduce the annual contract amount by 5%, effective October 11, 2009, and extend the contract term, to February 10, 2013, by adding two additional option years, consistent with your Board's Contract Extension/Cost Reduction Initiative, resulting in an estimated savings of approximately \$82,000 through the extension period.
2. Approve and delegate authority to the County Librarian or her designee to execute an amendment to change the scope of work of Transportation Delivery Services Contract No. 75522 to meet the Public Library's current needs by increasing the delivery workload and creating two additional routes, and to increase the annual contract amount, not to exceed \$179,000, to cover the cost of additional delivery services.

3. Approve and delegate authority to the County Librarian or her designee to execute amendments for future unanticipated changes in the scope of work of Transportation Delivery Services Contract No. 75522, and to increase the contract amount to cover the cost of such changes, but the cost shall not exceed 10% of the current annual contractor's fee.
4. Instruct the County Librarian to notify your Board and the Chief Executive Office, in writing, within ten business days after execution of the amendment related to the Contract Extension/Cost Reduction Initiative.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Delivery services between and among the Public Library's Headquarters and 86 library facilities throughout the County are essential to the Public Library's operations. Delivery items include books and materials for circulation to the public, general office supplies, correspondence, and interlibrary loan requests from the public.

Valley Couriers currently provides the delivery services to the Public Library under the terms and conditions of Contract No. 75522 awarded by your Board on January 17, 2006. This contract, which is in its second and last option year, will expire on February 10, 2011. The current annual and monthly contractor's fees are \$412,515.37 and \$34,376.28, respectively.

### **COST REDUCTION/CONTRACT EXTENSION INITIATIVE**

Approval of the first recommended action will ensure the continuation of quality delivery service to the Public Library because Valley Couriers has demonstrated to be a knowledgeable and responsive contractor. The recommended contract extension is economically advantageous to the County because it will result in a savings of approximately \$82,000 through the extension period, and will delay the inevitable cost increase resulting from a new solicitation. In addition, the contract extension will also defer the significant staff time required to solicit for a new contract in a fiscal year when the Public Library has many frozen administrative positions.

On June 16, 2009, your Board directed the Chief Executive Officer, working with the Internal Services Department (ISD), County Counsel, Auditor-Controller, and other departments, as needed, to develop the parameters for a contract cost-savings initiative for existing contractors. Your Board also directed the Chief Executive Officer to provide all departments with a model letter to send to contractors by early July 2009, requesting that contractors reduce their rates in exchange for term extensions, without the need to undergo competitive bidding.

In early July 2009 departments, including the Public Library, issued the model letter to each existing contractor that met certain specified criteria. ISD reviewed the offers submitted in response to our request, and solicited cost reduction offers in exchange for one-year and/or two-year contract term extensions. To date, your Board has approved contract amendments for several Public Library contracts that extended the contract terms in exchange for cost reductions.

Recently, Valley Couriers offered a cost reduction of 5% of their annual contract cost in exchange for two additional option years, for a total of four option years. The offer from Valley Couriers was reviewed by the Public Library and is being recommended to your Board for approval. This company has accepted the annual contract reductions without a change in the existing service level required under the contract. Further, in an effort to apply the Initiative equitably, Valley Couriers was required, and agreed to apply the 5% contract cost reduction retroactively effective October 11,

2009. If the recommended action is approved, the Public Library will instruct Valley Couriers to offset from their monthly invoice the retroactive savings of approximately \$24,600 in 12 monthly installments. The proposed two-year contract extension will extend the term through February 10, 2013.

## **CHANGES IN THE SCOPE OF WORK**

In anticipation of the Board's approval of the two-year contract extension described above, the second recommended action will allow the Public Library to provide a workable solution, through the extension period, to address the anticipated increase in the Public Library's delivery service needs. If approved, the scope of work of the contract with Valley Couriers will be amended, as summarized in Attachment A, to reflect the increased delivery workload and create two additional delivery routes. The Public Library will continue to monitor the workload, looking for trends or service changes that will require further adjustments to the scope of work.

In June of 2008, the Public Library implemented its Integrated Library System to provide customers greater access to our collection. Customers find the new online catalog easy and convenient to use and we have seen the anticipated growth in the use of our system. The Public Library's next step is to adjust our agreement with Valley Couriers to accommodate the growth in customers' demand.

As a temporary measure, the Public Library has authorized Valley Couriers to deliver additional boxes as unscheduled work under the terms and conditions of the contract. The estimated cost of the unscheduled work this fiscal year is approximately \$96,000. This amount is projected to decrease, if the recommended actions are approved by the Board.

## **Implementation of Strategic Plan Goals**

Approval of the recommended award is consistent with the County's Strategic Plan Goals in the areas of Operational Effectiveness (1) and Community and Municipal Services (3).

## **FISCAL IMPACT/FINANCING**

If approved, the estimated total savings that will result from the Cost Reduction/Contract Extension Initiative efforts is approximately \$82,000 through the extension period. Based on a cost reduction implementation date of October 11, 2009 and a monthly savings of approximately \$2,050, the projected savings are as follows: \$32,800 (October 11, 2009 - February 10, 2011); \$24,600 (February 11, 2011 - February 10, 2012); and \$24,600 (February 11, 2012 - February 10, 2013).

The annual cost of the additional delivery services is \$179,000. However, with the estimated annual savings from the 5% contract cost reduction, the increase is reduced to approximately \$154,000. Funding for this additional cost is available in the Public Library's Operating Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Cost Reduction/Contract Extension Initiative efforts pertain to current contracts which were planned to be competitively rebid upon expiration, and for which a competitive solicitation process was not already underway. The contractor agreed to have the contract amended and have the cost reductions become effective October 11, 2009. The contract is subject to and will continue to comply with the Living Wage Ordinance.

Transportation Delivery Services Contract No. 75522 specifies that the Board of Supervisors shall execute the amendment for any change which affects the scope of work.

Upon your Board's approval of the recommended actions, the amendments will require County Counsel's approval as to form prior to execution by the County Librarian.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will significantly improve delivery services to and from the 86 County libraries resulting in better customer service.

Respectfully submitted,

A handwritten signature in cursive script, reading "Margaret Donnellan Todd".

MARGARET DONNELLAN TODD  
County Librarian

MDT:FH:YDR:MR:bf

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

**TRANSPORTATION DELIVERY SERVICES CONTRACT NO. 75522  
WITH VALLEY COURIERS, INC.**

**SUMMARY OF PROPOSED CHANGES IN THE SCOPE OF WORK**

1. Increase the delivery workload (number of boxes) per route from the Public Library Headquarters.

Route Name	Per Contract	Proposed	Increase
North County Region - West (new)	0	150	150
North County Region - East (renamed)	95	95	0
North County Region - South	95	95	0
West County Region	95	200	105
South County Region	95	200	105
Central County Region	95	200	105
East County Region - North (new)	0	150	150
East County Region - South (renamed)	95	150	55

2. Divide North County Region - North route into two routes: North County Region - West and North County Region - East, as follows:

**North County Region - West**

La Canada Flintridge Library  
La Crescenta Library  
San Fernando Library  
Castaic Library  
North County Regional Office  
Valencia Library  
Newhall Library  
Santa Clarita Valley Bookmobile  
Canyon Country Library

**North County Region - East**

Acton/Agua Dulce Library  
Quartz Hill Library  
Lancaster Regional Office  
Lancaster Library  
Antelope Valley Bookmobile  
Lake Los Angeles Library  
Littlerock Library

3. Modify Central County Region route by re-routing deliveries for Juvenile Hall to the East Los Angeles Library, and changing the order of libraries.
4. Divide East County Region route into two routes: East County Region - North and East County Region - South, as follows:

**East County Region - North**

East County Regional Office  
West Covina Library  
Baldwin Park Library  
Norwood Library  
Live Oak Library  
Duarte Library  
Charter Oak Library  
San Dimas Library  
La Verne Library  
Claremont Library  
East County Regional Office

**East County Region - South**

East County Regional Office  
West Covina Library  
Sunkist Library  
El Monte Library  
South El Monte Library  
La Puente Library  
Hacienda Heights Library  
Rowland Heights Library  
Diamond Bar Library  
Walnut Library  
East County Regional Office

5. Establish a maximum number of boxes picked-up per route, and require Valley Couriers, Inc. to pick-up boxes from Regional offices and/or Libraries in each route, in any combination up to the maximum number of boxes per route.

Route Name	Proposed
North County Region - West	340
North County Region - East	245
North County Region - South	155
West County Region	570
South County Region	630
Central County Region	610
East County Region - North	380
East County Region - South	380